

Strategic Pricing Program

Creating Value and Optimizing Revenue Through Strategic Pricing

A 3-DAY PROGRAM OFFERED IN TORONTO
JUNE 5 TO 7, 2012



Program Overview

Pricing with Conviction

A practical, hands-on program on how to make money through strategic pricing, providing advice and real-life international successful case studies, helping you gauge whether you are under-pricing or over-pricing your products and services.

Factors such as industry consolidation, evolving trade channels, power purchasers and intense competition, as well as pressure to make marketing dollars work harder, have made effective pricing a priority and put a premium on flexible pricing and contract strategies.

Pricing decisions are enormously complex, involving multiple market forces changing simultaneously. Calculating price elasticity is admirable, but very difficult to apply at the managerial level. How do you isolate the information you really need to make a profitable pricing decision?

Profitability dealing with aggressive buying behaviour requires pricing practices that force customers to recognize, acknowledge and pay for delivered value.

This program will show you how to create value driven pricing strategies, enable professionals to negotiate from knowledge and gain a competitive edge in the value process.

WHO ATTENDS Managers and executives who are involved in their organization's marketing, sales, finance, strategic planning and pricing process.

DATES June 5 to 7, 2012

LOCATION Toronto

FEES **All 3 days** - \$2,625 (plus HST)
2-day course (Strategy) - \$1,750 (plus HST)
Day 3 only (Software and Tools) - \$875 (plus HST)

Professional Pricing Society (PPS) members and European Pricing Platform (EPP) members will receive a 15% discount

Benefits

Benefits for You

The program will prepare participants to:

- Understand pricing models used by world class companies
- Create an effective strategic pricing planning process
- Challenge the way you think about pricing, discounting and value
- Quantify the financial benefit customers receive from your products and services
- Use effective pricing tools and techniques to be more effective in dealing with customers who are 'Poker Players'
- Build sales force effectiveness – sell on value, capturing price
- Focus communication away from price and towards value for customers
- Move from a cost-plus to value-based pricing
- Price with confidence
- Gain an understanding of pricing and trends in the marketplace and various industries. Case studies will be provided

Benefits for Your Organization

- Increase the level of strategic pricing alignment across functional areas
- Quantify the financial benefit your customers receive from your products and services
- Evaluate alternative ways of pricing to different customer segments and channels based on differential price/value propositions
- Develop and implement strategic and tactical pricing plans that are flexible and responsive to rapidly changing market conditions
- Improve pricing performance
- Introduce proven pricing and revenue optimization tools into the management practices of the organization
- Evaluate your organization's readiness for pricing changes

Apply on-line at www.qsb.ca/execed.com
or call toll free 1.888.393.2338

The information you provide us will help ensure that the Program meets your personal objectives.

Module 1

Align Strategic Pricing With the Company's Goals and Objectives

Ensure alignment with overall pricing strategy across a diverse set of functions within the organization.

- Articulate your meaningful and sustainable advantage (MASDA) and identify your customer's compelling reason to buy
- Develop a value-based pricing mindset that promotes an 'outside-in' rather than an 'inside-out' approach that will shape your pricing strategies and tactics
- Evaluate your organization's pricing strategy development process
- Evaluate value-based pricing into an actionable cross-functional capability within your organization
- Design a structured and disciplined framework for a value-based pricing process
- Use the framework to ensure alignment between business and pricing strategy
- Select and target your most profitable customers
- Evaluate the competitive landscape by identifying and evaluating market opportunities, and limitations, that will shape your organization's future

Module 2

Effective Customer Pricing Alignment Tools

Learn highly-effective and leading-edge pricing tools and techniques to evaluate and ensure alignment between different customer purchases and price.

- Use segmentation to characterize customers and gain insight into their purchasing behaviour and preferences
- Evaluate and optimize your strategic business units and product lines aligning with the goals and the objectives of the company
- Define customer segment by differentiating on value
- Use Net Price Analysis to pick your winners and losers
- Evaluate the discounting and incentive behaviour provided to different customers
- Identify the 'soft-dollars' contributing to profitability differences across customers
- Set price levels aligned to value received
- Establish price rules, metrics and price fences
- Define the pricing strategy desired, either skimming, neutral or penetration
- Use targeted discounting structures instead of across the board price reductions

Module 3

Value-Based 'Outside-In' Pricing Tools and Techniques

Assess and evaluate a variety of pricing tools and frameworks that suit your organization.

- Simulation exercises - competing on price conducted over the Internet and using laptops
- Capture and measure the elasticity of demand for products and services relative to the competition
- Manage price and perceptions
- Develop the 'right' pricing and value approach to customers
- Measure your brand equity
- Quantify the value perceptions held about you and your competitive offerings
- Identify the value drivers that contribute to share growth and profitability
- Use competitive intelligence to anticipate customer and competitive responses to proposed offerings





Module 4

Explore the Key Ingredients that Contribute to a Compelling Pricing Strategy

- Understand what customers truly value in a downturn
- Create 'fences' between product offerings
- Identify whether you are in a leadership or followership position
- Evaluate and price your competitive advantages
- Develop bundling strategies to avoid price transparency
- Offer special services for free

Canada's Leader in Executive Education

Practical and relevant content delivered by exceptional speakers, and a commitment to unrivaled customer service, have made Queen's Executive Education Programs Canada's most popular executive education programs.

Module 5

Implement significant decisions quickly and effectively and gain support throughout the organization

- Build in accountabilities across functions within the organization
- Identify key success factors and ensure measurement mechanisms are in place
- Communicate the price/value proposition
- Make the case to marketing, sales, operations and finance to ensure you get the resources you need
- Make correct channel and distribution partners
- Ensure a process is in place to account and clearly explain differences in pricing across similar customers
- Ensure policies and process are in support of each other
- Build a process to identify, approve and manage exceptions to pricing policy
- Ensure information systems provide the data needed to perform the required analysis

Custom Programs for Organizations

Any of the content delivered in the Strategic Pricing Program can be customized to meet the specific needs of your organization. We have successfully developed and delivered Custom Programs for all types of organizations, in most regions of Canada, and many locations around the world.



Financial Times ranks Queen's Custom Programs **#1 in Canada** for "Value For Money" (May 2011)

To find out more, contact our office at 1.888.393.2338, or in Toronto at 416.214.9655

Module 6

Effective Customer Pricing Techniques and Alignment Tools

Learn highly effective, leading edge pricing tools and techniques to evaluate and ensure alignment between customer purchases and price.

Price/Attribute Trades: How to build on what data you have and get what is needed.

- Historical Evaluation: How to test historical data, build a pricing database, and use normalized elasticity
- Competitive Intelligence: How to gather, clean, and verify competitor pricing
- Utilizing Firmographics: A more effective approach to segmentation
- Voice of the Customer Initiatives: How to eliminate the word "Price" from your customer's lexicon?
- Building Virtual Markets: How can we start pricing today?

Examples: Tools that can be built to optimize prices.

- A selection of tools that can be used at different stages in the pricing process
- Questionnaire building: How to find the answers you are looking for?
- Leading Software in Pricing: Strengths and weaknesses
- An Example: Effectively Building and Leveraging Virtual Markets

Module 7

Value Based Pricing: Evolving Pricing, Expanding Markets, and Moving Beyond Your Competition

Learn why value based pricing evolves the marketplace beyond current limitations and build an understanding leading tools/techniques that have been industry tested.

Value Based Pricing: How to Move From Cost-Plus to Value Based Pricing

- Identifying value drivers; How they contribute to growth and profitability

- Effectively moving your sales force from price to value driven
- Managing pricing and perceptions; Internally and externally
- Value Mapping; Correlating where you and your competition are in the marketplace
- Examples: Analytical tools and processes to evolve your pricing strategy

List Price Adjustment:

- A multifactor model, moving from a flat price increase to a continuous approach
- Utilizing value drivers and price point execution for margin expansion
- Effectively communicating the list adjustment: Internally and externally

New Product Introduction:

- Over 90% of launch prices are incorrect; How can we avoid this mistake?
- An in-depth analysis around value pricing new products
- How to utilize this technique for the product life cycle and portfolio alignment

CHAID and A Priori Algorithm:

- Building new segmentation from the learnings in module two and identifying value drivers
- Using these new nodes to capture a greater percentage of margin
- Chaining A priori analysis to CHAID nodes for new bundling and pricing opportunities

Tying Everything Together: Group Exercise

The scenario: Your company is introducing a new product to an existing portfolio in a competitive market place.

"Your company developed a new revolutionary technology and held over 80% market share over the last 10 years. However, in the last three years some competition has moved into the space with a significantly cheaper version of the product. To combat these new competitors you are re-evaluating your product-line and introducing a new low cost platform."

In this scenario you and your team must:

- Identify value drivers relevant to the marketplace
- Evaluate your competition to build a value map
- Triangulate the value map and competitive analysis to price your new platform
- Re-evaluate your current product line and develop new price points
- Utilize the discount authority matrix to find switch-over price point

Session Leaders

Faculty bios are available on our website.

MICHAEL HURWICH, MBA

President,
Strategic Pricing Management Group

Michael has consulted with major Fortune 500 and mid-sized firms for the past 15 years. He is one of the foremost pricing consultants known around the globe for his hands-on pragmatic approach integrating value-based pricing practices within an organization to strategy development and tactical pricing. He started his consulting career at Braxton Associates, the strategic arm of Deloitte & Touche Consulting Group.

During his consulting career, Michael has developed numerous corporate and business unit strategies for a broad range of clients in a wide range of industries including: telecommunications, finance and insurance, logistics and distribution, technology solutions, oil and gas and chemicals, FMCG, pharmaceuticals, retail and not-for-profits.

Michael has written numerous articles on pricing and marketing strategies including those found in the SPMG Library. He periodically writes for PPS and the Pricing Institute. He is also a frequent lecturer in China, India, Singapore, Dubai, Malaysia, the United States and Canada.

Michael has an MBA in Corporate Finance & International Marketing from Olin School of Business, Babson College, Boston and an Honors BA, Managerial Economics/Marketing.

DR. JOHN PLINIUSSEN

Marketing and Innovation

John Pliniusen is an authority on innovation, sales management and e-marketing. He has worked or consulted for several Fortune 100 companies, some of Canada's fastest growing SMEs, many federal and provincial ministries, and numerous agencies and NPOs. He has consulted with many organizations including IBM, London Life, Torstar, Schindler, GM, Constellation Software, and many federal and provincial ministries.

VERNON E. LENNON, III.

Principal and CEO of The Price Cloud

A seasoned pricing professional and business consultant, Vernon Lennon III has strategic and scientific pricing experience in laboratory consumables, diagnostics and equipment, MRO, capital equipment, building products, distribution, transportation, services, chemicals, diagnostics and more. His experience of understanding and extracting true market value has been further utilized as a guest speaker of many conferences and professional societies along with guest lecturing at Georgia Institute of Technology. Lennon holds an MBA in Finance from Southern New Hampshire University and a B.S. in Resource Economics from the University of New Hampshire.

His accomplishments bridge the pricing spectrum from pricing strategy, policy, process, change management, analytics & modeling, competitive positioning, to software implementation and deployment.

**Session leaders subject to change.*



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